



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

a study of folk-lore and philology for the indications of the evolution of society from a primitive organization on the basis of mother right, while in the essay upon "Passion Plays" we are shown the gradual unfolding of the religious conceptions of the Middle Ages. Two essays, "Socialism and Natural Selection," and "Women and Labor," seek light upon the probable future development of the race from a consideration of present social conditions, while in "Politics and Science" and in "Reaction" we have a fierce polemic in support of the position of modern science against recent attacks upon its rationality. In summarizing the contents of the two volumes we have not held to the order in which the essays are printed, as it fails to reveal any principle of arrangement.

The studies included in these volumes are studies of human evolution. They are the application of the formulæ of the natural scientist to problems of social interest. The student will find in them forcible presentations in vigorous language of some of the current problems of research, which lie on the unsurveyed borderland between the sciences. Of the contents of the various studies it would be useless to speak in further detail. They are to the author, simply illustrations of the underlying principle of evolution. He is concerned less with the matter investigated than with the point of view. In enforcing and illustrating this mental attitude, which sees in evolution, in its mathematical, its biological and historical forms the key for the interpretation of all knowledge, lies the chief reason for the separate publication of these popular essays and papers. The object has been well accomplished, for the terse practical style of the essays cannot fail to retain the attention of the reader, while the contents must stimulate him to further study. The typographical excellence of the books makes reading easy, but it may debar the books from having so large a circulation as might be wished.

ROLAND P. FALKNER.

The General Property Tax. By CARL C. PLEHN, Ph. D. Pp. 79. Price, 50 cents. American Economic Association Studies, Vol. II, No. 3. New York: The Macmillan Co., 1897.

It is a commonplace of American financial science that the general property tax has proved a failure under modern conditions. Professor Plehn's essay is a demonstration of this fact in the particular instance of California. Having proved it for California he concludes, not without reason, that the condemnation of the tax applies equally well to other states. Of California he says, "In the first place she has

given this tax an uninterrupted trial for forty-seven years, long enough to have tested its full possibilities. In the second place she has had, during most of the time, and now has, one of the best property tax laws ever written. . . . In the third place the conditions have been as favorable to the administration of the law here as they can be anywhere in the United States. If the tax has failed in California it is safe to conclude that it was mainly because of its faults in principle."

Under the California law the property tax is a *general* property tax; all kinds of property are included, both tangible and intangible. In the statutory definition of what constitutes property, moneys, credits, bonds, stocks, dues and franchises are included,—in fact, all things capable of private ownership. Of course, the property of a community, under such a definition, does not coincide with its economic wealth. The natural result is double taxation. To avoid this, California has adopted in the case of mortgages a somewhat unusual method of deduction. The mortgagee is taxed on the mortgage at its face value, and this valuation is deducted from the assessed value of the property and the mortgagor is taxed for the remainder. The mortgage from a legal point of view is treated as realty with a *taxable situs* where the mortgaged land lies. This method is not original with California; in fact it exists or has existed in several other states as well as in the antipodes. The merit of the method lies in the fact that the tax is levied with some reference to the ability of the parties. It has been criticised on practical grounds. It is said that the mortgagor is compelled in consequence to pay a higher rate of interest. Professor Plehn takes this view, although he admits that the method is ideally correct. He does not produce any new evidence on the matter, and at present, it must be confessed, the evidence is conflicting, but he concludes that under "present conditions in California by far the best plan would be to tax the owner for the whole of the property and to exempt the mortgagee."

Regarding double taxation Professor Plehn says: "Double taxation is very nearly avoided in California. The treatment of mortgages and of debts, secured by deeds of trust or in other ways, as representing a part ownership of the property given as security, prevents one form of double taxation common in other states. Debts due residents of the state and taxed as solvent credits of the creditor may be deducted from solvent credits of the debtor. But there is still double taxation in the following cases: (1) Personal property, such as stocks and bonds of corporations whose tangible property is taxed in other states, are taxable if the owner resides in California. (2) No deduction is allowed for debt except in the two above mentioned cases."

This statement seems not to take account of the fact that the bondholders in domestic corporations are taxable on their bonds, although the corporation itself is taxable to the full extent on its property. This discrimination between public and private mortgages was called to the attention of the courts in the case of *Cen. P. Ry. Co. vs. Bd. of Equalization* (60 Cal. 35), but it was upheld as lawful.

There is likewise a great inequality and irregularity in the taxation of franchises. In California some of the railroads have taken advantage of the fact that they received their incorporation from the federal government to claim complete exemption from the tax on franchises. On the other hand, some corporations are taxed on their franchises, although they possess no valuable privileges. Professor Plehn rightly asserts that there is a distinction between franchises in the legal view and valuable franchises which alone are properly objects of taxation.

In regard to the practical work of assessment of real estate great variations exist. Professor Plehn says that these inequalities may be divided into *three* classes, but he proceeds to enumerate *four*, viz.: those arising (1) between localities, (2) between rural and urban property, (3) between land and improvements, (4) between individuals. These, of course, are often combined. As usual, the farmer appears to be the chief sufferer.

The chief indictment against the general property tax is that it does not reach intangible personal property. This defect is very conspicuous in California. Real estate bears a constantly increasing ratio of the burden. One of the most interesting and instructive evidences of this failure to reach personalty is given by Professor Plehn in the comparison of the assessed valuation of buildings and movables with the underwriters' reports of loss by fire. In the former case the value of the movables amounted to but 50 per cent of the realty, while in the latter case it was nearly three times as much. In a paper of some eighty pages it is difficult to treat such a large subject as the complete tax system of a state, yet Professor Plehn has given an admirable statement of its chief features and most glaring defects. The essay appears to have been written with a purpose of promoting reform, but no proposals of a positive character are made. The determination of this question is attended with not a little difficulty, but perhaps Professor Plehn will address himself to its solution.

Colorado College.

FRANCIS WALKER.

Der Clearing und Giro-Verkehr in Oesterreich-Ungarn und im Auslande. Von Dr. HEINRICH RAUCHBERG. Pp. 212. Vienna: Hoelder, 1897.

In his most recent work Professor Rauchberg gives an excellent